

MISSISSIPPI

TREASURY NOTES



From State Treasurer Marshall Bennett

Summer 2001

TREASURER'S COLUMN



Fiscal year 2001 has come to a close and the year has been dynamic in the Mississippi Treasury Department. The new Mississippi Affordable College Savings (MACS) Program began this year, as a great new complement to the Mississippi Prepaid Affordable College Tuition (MPACT) Program. Enrollment for the MPACT program **begins September 1 and ends November**

30, 2001. You can open your MACS savings account year round. Details are enclosed in this issue.

My office has been busy preparing for the new direct pledge collateral pool to begin **October 1**. The pool will be open to 105% pledging of county, city and school district funds. The collateral pool for all qualified banks will begin **January 1, 2002**. For more information on the direct pledge collateral pool, look in this issue of Treasury Notes.

The first Mississippi Women's Money Conference last September was such a success that we have planned an even bigger event this year. Last year's program, through the support of generous sponsors, provided a day of education and empowerment about financial issues to 1200 women from around Mississippi. Mark your calendar for Wednesday, **September 5, 2001**, for the second Mississippi Women's Money Conference. Details and registration information are included in this issue.

Mississippi's revenue picture was \$48 million over last year in fiscal year 2001, but \$200 million below estimate. All of the safety net measures have worked as they are intended to. Among these safety measures are: the 98% budget rule, which requires limiting appropriations to 98% of expected revenues, and the Working Cash Stabilization Reserve fund, a "rainy day" fund equal to 7.5% of fiscal year appropriations. The purpose of the rainy day fund is to meet cash needs when shortfalls occur, and we have done that. Mississippi has maintained a AA bond rating, and there is a silver lining to the revenue picture. Construction has begun on a new automotive plant, with the first vehicles expected to roll off the line in 2003. The \$163 million annual payroll will provide work for 4,000 employees at Nissan of North America.

It is a privilege to serve as your State Treasurer. Please feel free to visit me in our new location at the Woolfolk Building, Suite A, 11th Floor, across from the Capitol Building. You may telephone me at 601-359-3600 or send email to mbennett@treasury.state.ms.us. Let me hear from you on any suggestions for improving our office.

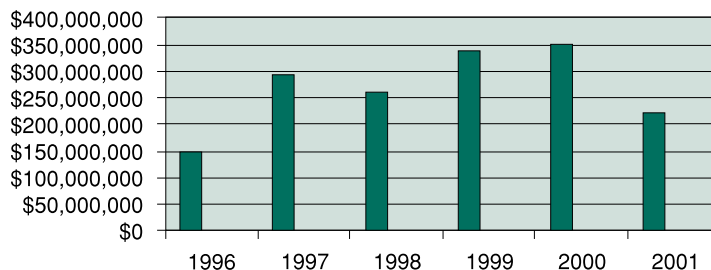
Marshall Bennett

\$223 MILLION OF NEW STATE BONDS AUTHORIZED BY 2001 LEGISLATURE

The Mississippi Legislature, along with the State Treasurer, has kept a watchful eye on state bond debt over the past several years in anticipation of a slowing economy. Lawmakers continued the cautionary approach to the issuance of debt during the 2001 Legislative Session, which ended in April. Last summer, during the 3rd Special Session of the 2000 Legislature, \$295 million in bonds were approved related to the location of the new Nissan facility in Madison County. Since then, \$145 million in general obligation notes have been issued from that authority.

During the most recent legislative session, bond bills totaling \$222,720,000.00 were signed into law. Approved were:

Bond Authority by Fiscal Year



- \$139,770,000.00 (Senate Bill 3158) for capital improvements at state facilities. Included in this authority is \$100,220,000.00 for capital improvements at Institutions of Higher Learning and at state agencies; \$12,000,000.00 for improvements at Community Colleges and Junior Colleges; \$4,000,000.00 for agency restoration and renovation; \$2,000,000.00 for additional restoration and renovation for Institutions of Higher Learning; \$2,000,000.00 for the Southaven IHL Center Fund; \$550,000.00 for Library Construction and Improvements; \$200,000.00 for improvements to the New Capitol; \$15,000,000.00 for Ayers; and \$3,800,000.00 for improvements to Mississippi Veterans Memorial Stadium. A total of \$4,950,000.00 of the authority was repealed following passage. \$3,950,000 for the purchase of the Mississippi College Law School building was repealed, as was \$1,000,000.00 for improvements to Veterans Memorial Stadium contingent upon contracting with a Canadian Football League team;

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TREASURY NOTES

MISSISSIPPI OFFERS NEW TAX-FAVORED HIGHER EDUCATION SAVINGS PROGRAM

State Treasurer Marshall Bennett announced the availability of the Mississippi Affordable College Savings Program (MACS), a new tax-advantaged college savings plan for families to use to pay expenses at eligible colleges anywhere. MACS joins the Mississippi Prepaid Affordable College Tuition Program (MPACT), which has been available to residents since 1997 for tuition expenses only.

“According to recent statistics, the average cost of a four-year college education for a newborn will range from \$100,000 at public universities to nearly \$235,000 at private universities by the year



State leaders hold news conference announcing the Mississippi Affordable College Savings (MACS) Program. From left: College Savings Board Member Paul Newton, Governor Ronnie Musgrove, State Auditor Phil Bryant, State Treasurer Marshall Bennett, Secretary of State Eric Clark, and College Savings Chairman of the Board Ron Allen.

2018,” Bennett said. “That’s why it’s important for parents to start a savings plan for their children’s higher education now.”

MACS is a flexible, simple-to-invest-in program that allows families of all income levels to open an account with a minimum investment of \$25 (\$15 through payroll deduction) and a maximum account balance limit of \$235,000. The money can be used for future costs at nearly all colleges, universities, trade/vocational schools, or post secondary institutions in the country, as well as certain foreign schools. Expenses covered include tuition, fees, supplies, books, and certain room and board costs.

Tax Advantages

MACS also offers several key tax advantages, which include:

- State tax-exempt growth and an annual state income tax

deduction for contributions up to \$10,000 per individual (\$20,000 for joint filers) per year.

- Federal tax if used for qualified expenses as of January 2002.
- Significant gift and estate tax benefits. For instance, account owners may gift up to \$50,000 in a single year (\$100,000 for married couples filing jointly) per beneficiary without incurring federal tax consequences by spreading the gift-tax exclusion over five years, taking no more than a \$10,000 exclusion in a single year. In addition, even though the Account Owner maintains control over the Account, amounts in the Account generally are not included in the Account Owner’s Gross estate for federal estate tax purposes.

Professional Money Management

The State College Savings Board of Directors has selected as Program Manager, TIAA-CREF Tuition Financing, Inc. a wholly owned subsidiary of TIAA part of the nation’s largest and leading financial services and the foremost pension and investment system for college faculties.

Information about MACS, including an application and a full Disclosure Booklet, is available by calling toll-free, 1-800-486-3670, or by visiting the MACS web site at www.collegesavingsms.com.

(continued from p.1)

\$223 Million of New State Bonds Authorized by 2001 Legislature

- \$40,000,000.00 (House Bill 1630) to acquire, repair and upgrade the rail line from the port at Gulfport to the City of Hattiesburg;
- \$13,250,000.00 (House Bill 1637) for Arts and Historic Preservation. Of this amount, \$7,000,000.00 is designated for the Building Fund and Grants Program for the Arts and \$6,250,000.00 is designated for historic property preservation;
- \$10,000,000.00 (Senate Bill 2126) to fund the Small Municipalities and Limited Population Counties Fund;
- \$10,000,000.00 (House Bill 371) for the Mississippi Land, Water and Timber Resources Fund;
- \$8,100,000.00 (House Bill 1648) in increased authority under the Mississippi Major Economic Impact Act;
- \$5,000,000.00 (House Bill 1352) in increased authority under the Emerging Crops Fund;
- \$1,650,000.00 (House Bill 622) to be used as matching funds for construction of a Mississippi National Guard Armory in the City of Oxford; and,
- A reduction of \$100,000.00 (Senate Bill 3084) in authority for improvements to the Walthall School Building in Hattiesburg.

TREASURY RELOCATES TO HISTORIC WOOLFOLK BUILDING



The renovated Woolfolk State Office Building is now the home of the State Treasurer, Governor, Auditor, Insurance Commissioner, Department of Finance and Administration, Banking Commission, MS Development Authority, Public Service Commission, Legislative Budget Office, and PEER Committee.

The State Treasury was among the first agencies to move into the newly renovated Woolfolk State Office Building in Jackson. The Woolfolk Building was the tallest building in Mississippi in 1949 with 15 floors, and was a focal point of state activity, housing 28 agencies. The building was named for Ellis Trigg “Scrap” Woolfolk, born in Senatobia, who served as State Senator and many years as State Representative from Tate County. Mr. Woolfolk earned a reputation as a man dedicated to keeping the state budget in balance during the 1930’s and early 40’s.

At the time of its construction, the Woolfolk Building consolidated all state agencies into one building. Its rich architectural style featured magnolias etched into the panels of the building, reflecting the state’s culture and heritage.

Over time state services outgrew the quarters of the Woolfolk Building, requiring renovation and expansion. Since renovation began, 147,000 square feet has been added to the west of the original 259,000 square foot building. As you can imagine, the building required extensive updating to be brought into code compliance for safety and disability, air conditioning, communications and data systems. The exterior of the new portion of the building has included stylized magnolia panels, similar to the old, but more realistic in appearance.

The first-phase of the move-in, which began over Thanksgiving 2000 holidays, involved the Governor’s Office, Treasury Department, Office of the State Auditor, Department of Finance and Administration, and Banking. Following completion of the renovation, final moving phases will involve the Legislative Budget Office, Performance Evaluation and Expenditure Review (PEER), Mississippi Development Authority, Public Service Commission, and Insurance Department. Several of these agencies have been housed in the Sillers Building, which is also scheduled for renovation.

The grounds of the Woolfolk Building will house the Mississippi Veterans’ Monument, expected to be complete by mid-April.

The State Treasury telephone number remains the same, as does the post office address, however, our physical address has changed to: MS Treasury Department, 1101 Woolfolk State Office Building, Suite A, 501 North West Street, Jackson, MS 39201. Please stop by and visit the Treasury in the historic Woolfolk Building whenever you are in the vicinity. Temporary visitors entrance is located on the Lamar Street side of the Building.



APPOINTMENTS TO MISSISSIPPI COLLATERAL GUARANTY POOL ANNOUNCED BY TREASURER

Mississippi's new Guaranty Pool Board is ready for business following the appointment by State Treasurer Marshall Bennett of representatives of local government and the financial community. The nine-member board will oversee the Mississippi Public Depository Guaranty Pool and the Direct Pledge System, authorized by the 2000 Mississippi Legislature.

David Overby, Budget Officer for the City of Ridgeland City Clerk's office, has been appointed to represent municipalities. Adams County Supervisor Virginia Salmon of Natchez has been appointed to represent the county boards of supervisors. Bankers appointed to the board are: Greg Ray, Bancorp South, Tupelo; James Clayton, Planters Bank & Trust Company, Indianola; Odean Busby, Citizens State Bank, Magee; Zack Wasson, Trustmark National Bank, Jackson; and Scott M. Wiggers, Merchants and Farmers Bank, Kosciusko.

The Collateral Program changes how state and local public funds are secured, establishing a centralized pledging system at the State Treasury. It does not change procedures or rules regarding how public fund deposits are placed or managed, but makes banks more competitive in bidding on the funds and should increase returns. It also frees up money for lending and other economic development activities.

All deposits continue to be secured at 105%. Eligible securities will be pledged through the Treasury to secure all public funds. Depository banks meeting higher financial standards are able to collectively guarantee one-half of deposits up to 105%, which will allow banks in the pool to be more competitive in seeking public deposits, leading to higher returns.

Counties, cities and schools will enjoy numerous benefits including improvement in overall efficiency; reliability of the State Treasury to manage and monitor all collateral for public deposits; more regular monitoring of pledged securities' value; elimination of local government collateral management function connected to deposit accounts; lessened concerns of meeting State Audit requirements; and State Treasury certification to local governments that funds are secured at 105%.

Depository banks, too, see numerous advantages in the program, such as: a more efficient system for making pledges, substitutions and other changes; removal of the problem of being over-pledged with multiple depositors; monitoring of all public deposits with applicable pledge level based on the aggregate balance; and, bank choice to enter into the guaranty agreement and pledge at the lower level.

VISIT US AT OUR WEBSITE:

www.treasury.state.ms.us



HAVE YOU MOVED?



Please help us keep your address current for future issues of Treasury Notes. Please mail your change of address to: Mississippi Treasury, P.O. Box 138, Jackson, MS 39205, or call 601-359-3600.



TREASURY NOTES

MS UNCLAIMED PROPERTY



Treasurer Bennett presents Ed Cheshire of Jackson, MS an Unclaimed Property check in the amount of \$55,065.

TOP TWENTY-FIVE LIST



**Top 25 names and accounts
We are looking for you!**



Name	Location	Amount
Hester, Eric	Hazelhurst, MS	57,685.79
Guin, Pia E.	Biloxi, MS	48,918.42
Francis Estate, Nan	Mississippi	37,132.68
Isbell Estate, Tom	Chickasaw County, MS	36,332.66
Aultman Estate, Jeff	Mississippi	30,676.70
Thompson, Warren	Brandon, MS	28,206.05
Simmons, Lutelia	Como, MS	23,238.76
Sprey, Ruth	Brandon, MS	22,183.60
5 Star Mobile Homes	Pearl	21,611.06
Beauchamp, Avis	Hattiesburg	17,950.47
Stephens, Lovera D.	Mendenhall, MS	16,266.60
Pirtle, Donald T.	Gulfport, MS	15,909.02
McNeil Estate, Savannah	Desoto County, MS	15,881.43
Overa, Andgorg	Gulfport, MS	15,582.78
Kennedy Estate, Louise	Jackson County, MS	15,287.80
Oxnard Public FAC	Mississippi	15,000.00
Pinner, Norris C.	Olive Branch, MS	14,312.50
Nichols, Mary	Jackson, MS	14,100.00
Temkovits, Robert H.	Brooksville, MS	14,000.00
Cooper Industries	Vicksburg, MS	13,976.52
Selby Frams, Inc. FHA	Redwood, MS	13,780.00
Southern Bond Clearing	Olive Branch, MS	13,772.46
McCoy, Willie Mae	Laurel, MS	13,635.67
Conner, Beatrice	Vance, MS	13,586.58
Burrow, Richard H.	Vicksburg	12,876.93

**HELP US FIND THESE INDIVIDUALS
TO RETURN THE MONEY!**

SECOND MISSISSIPPI WOMEN'S MONEY CONFERENCE SET FOR SEPTEMBER 5

Mississippi women will have the opportunity to learn how to better manage their finances at the second Mississippi Women's Money Conference, to be held at the Trade Mart in Jackson Wednesday, September 5, 2001. The conference will offer women assistance in a wide range of financial areas, including debt reduction, retirement planning, IRAs, investments, and money management. Last year's conference attracted over 1200 registrants.

The State Department of Treasury, through the Mississippi Women's Financial Education Foundation, will provide the one-day conference at no cost to participants. The conference is packed with financial advice to women from an impressive line-up of women financial professionals. National level speakers for the conference include Jean Chatzky, Money magazine editor; Dee Lee, author of the popular personal finance guide, "Let's Talk Money;" and, Muriel Siebert, Chair of Siebert Financial Corporation and the first female member of the New York Stock Exchange.

A host of local women leaders will present perspectives on retirement and investments, business management, forming investment clubs, and empowerment through education. In addition, Dee Lee will conduct two sessions on basic financial management. Mississippi's First Lady Melanie Musgrove is the Honorary Chairperson.

"We're excited to offer the women of Mississippi a top-notch financial conference," said State Treasurer Marshall Bennett. "This conference is for women in all walks of life - from the single mom who is struggling to manage a household budget - to the recent retiree looking for information on investment planning. The goal is to truly make a difference in women's lives by helping educate and empower them to become self reliant in managing their finances," said Bennett.

Attendees will receive a complimentary copy of the book "Let's Talk Money."

Seating is limited, so early registration is recommended. Those who wish to attend can register by telephone at 601-359-3600 or toll free 1-888-308-1997. A registration form may be printed from the Treasury website at <http://www.treasury.state.ms.us>.

Event sponsors include: Bancorp South; Salomon Smith Barney; UBS/PaineWebber; Williams Financial; AmSouth; Neuberger Berman; Hancock Bank; Legg Mason; and, Earnest Partners.

Special consideration is provided by: Mississippi EDNET; Millsaps College Else School of Management; Watkins Ludlum Winter and Stennis, PA; the Teresa and H. John Heinz III Foundation; and, the Metro Jackson Convention and Visitors Bureau.



The 2000 Mississippi Women's Money Conference brought together MS Treasurer Marshall Bennett, U.S. Treasurer Mary Ellen Withrow, Actress and U.N. Goodwill Ambassador Linda Gray, and First Lady Melanie Musgrove.



Mississippi Women's Money Conference
Mississippi Trade Mart
Wednesday, September 5, 2001

To register for this free conference, mail this completed form to:
Mississippi Women's Money Conference
C/o Mississippi Treasury Department
P.O. Box 138, Jackson, MS 39205-0138
Or fax to: 601-359-2001

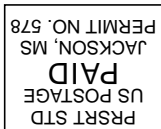
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